

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Scheherazade, Inc,

Chapter 7

Bankruptcy 19-40658

Debtor.

**NOTICE OF MOTION AND MOTION TO DEEM CORRESPONDENCE
AN INFORMAL PROOF OF CLAIM AND FOR OTHER RELIEF**

To: Ms. Nauni Manty, in her capacity as Chapter 7 Trustee; the U.S. Trustee; and all other entities specified in Local Rule 9013-3.

1. The Creditor, CHARDONNAY DIAMONDS LLC (“Chardonnay” or “Movant”), by and through its undersigned attorneys, hereby moves this Court for an order pursuant to 11 U.S.C. §105, Federal Rule of Bankruptcy Procedure 9013, and Local Rules 9013-1 and 9013-2, to deem the Correspondence (defined hereinafter) to be a timely, informal proof of claim, rendering its later-filed formal proof of claim as timely (this “Motion”).

2. The Court will hold a hearing on this Motion before the Honorable Kathleen H. Sanberg, United States Bankruptcy Judge, on September 2, 2020 at 10:00 a.m. in Courtroom 8 West at the United States Courthouse, 300 South Fourth Street, Minneapolis, Minnesota 55415.

3. Pursuant to Federal Rule of Bankruptcy Procedure 9006(a) and Local Rule 9006-1(c), any response to this Motion must be filed and served no later than Friday, August 28, 2020, which date is not less than five (5) days before the time set for the hearing (including Saturdays, Sundays, and legal holidays).

4. UNLESS A RESPONSE OPPOSING THIS MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

5. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(B). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

6. On March 10, 2019 (“Petition Date”), Debtor voluntarily commenced this Chapter 7 bankruptcy proceeding [ECF No. 1].

7. On March 15, 2019, the Clerk of the Bankruptcy Court sent a “Notice to File Claims” (the “Notice”) [ECF No. 17]. The Notice indicated that payment of a dividend appeared possible, and that proofs of claim shall be filed by June 17, 2019 (the “Bar Date”).

8. Prior to the filing of the petition in this bankruptcy case, Chardonay delivered certain pieces of jewelry to the debtor, for sale by the debtor in the ordinary course, on consignment.

9. The Trustee argued—and Chardonay disputed—the consignment relationship was governed by Uniform Commercial Code Article 9, Chardonay’s security interest was avoidable, and could be preserved for the benefit of the bankruptcy estate under 11 U.S.C. §§ 544. Chardonay settled the controversy by “buying back” certain items from the Trustee [ECF No. 69]. The Court approved the settlement on July 19, 2019 [ECF No. 89].

10. Prior to the Bar Date, in connection with the settlement, Chardonay’s counsel communicated at length with the Trustee’s counsel regarding the Chardonay transactions with the Debtor and its claims arising therefrom.

11. On April 23, 2019, Chardonay and the Trustee exchanged detailed communications regarding Chardonay’s transactions and claims related to the Debtor’s filing (the “Correspondence”). *Warner Aff. Ex. A and B.*

12. On April 16, 2020, Chardonnay filed Claim No. 173. The formal Proof of Claim was submitted after the Bar Date.

13. Chardonnay's counsel has communicated with the Trustee regarding allowance of the late-filed claim. The Trustee indicates that she has no objection to the Proof of Claim to be deemed timely filed. However, she is unable to stipulate to a late-filed claim without formal motion practice and authority from the Court.

RELIEF REQUESTED

14. Movant respectfully requests the Court enter an order deeming that an informal proof of claim was established by Chardonnay on April 23, 2019, and that the later-filed, formal proof of claim relates back to the informal proof of claim, and such other and further relief as is consistent with, necessary, and appropriate to carry out provisions of the Bankruptcy Code pursuant to 11 U.S.C. § 105(a).

WARNER LAW, L.L.C.

Dated: July 23, 2020

/e/ George E. Warner, Jr.
George E. Warner, Jr. (#0222719)
120 South Sixth Street, Suite 1515
Minneapolis, Minnesota 55402-1817
Telephone (952) 922-7700

Attorneys for Chardonnay Diamonds LLC

VERIFICATION

I, George E. Warner, Jr., counsel for CHARDONNAY DIAMONDS LLC declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: July 23, 2020

/e/ George E. Warner, Jr.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Scheherazade, Inc,

Debtor.

Chapter 7
Bankruptcy 19-40658

**MEMORANDUM OF LAW IN SUPPORT OF
MOTION TO DEEM CORRESPONDENCE AN INFORMAL PROOF OF
CLAIM AND FOR OTHER RELIEF**

Chardonnay Diamonds LLC respectfully submits this memorandum of law in support of the Motion to Deem Correspondence an Informal Proof of Claim. Capitalized terms used hereinafter not otherwise defined shall have the meanings assigned to such terms in the Motion. The Court can and should enter an order deeming the Correspondence a timely submitted informal proof of claim. 11 U.S.C. § 105 empowers this Court with the authority to enter any order that is “necessary and appropriate to carry out the provisions of this title.”

Claims can be asserted in bankruptcy on a “formal or informal” basis, provided they are asserted in writing, within the applicable statutory period. *In re Haugen Const. Services, Inc.*, 876 F.2d 681 (8th Cir. 1989), *citing In re Donovan Wire & Iron Co.*, 822 F.2d 28, 39 (8th Cir., 1987). Additionally, for a writing to constitute an “informal proof of claim,” it “must state an explicit demand showing the nature and amount of the claim against the estate, and evidence an intent to hold the debtor liable.” *In re Anderson-Walker Industries, Inc.*, 798 F.2d 1285, 1287 (9th Cir., 1986). The *Anderson-Walker* court noted the Trustee has a duty to reasonably construe communications from creditors. When the Trustee knows the creditor expects payment of its claim, and has participated in the case, its correspondence is properly deemed an informal proof of claim. *Id.*

In *Franciscan Vineyards*, 597 F. 2d 181 (9th Cir., 1979), (cited with approval by the Eighth Circuit in *Haugen Construction*, supra.), the Napa County clerk sent the trustee correspondence enclosing two tax bills owed by the debtor. The trustee took no action and the County missed the bar date by over five months. Allowing its late, formal proof of claim to amend and relate back to its timely, informal correspondence, the Court stated:

The point simply is that there must be presented, within the time limit, by or on behalf of a creditor, some written instrument which brings to the attention of the court the nature and amount of the claim.

Id., at 183, citing *Perry v. Certificate Holders of Thrift Savings*, 320 F.2d 584, 590 (9th Cir. 1963). Importantly, the Court specifically agreed that letters sent to Trustees constitute informal proofs of claim. *Id.*, citing *In re Patterson-MacDonald Shipbldg Co.*, 293 F.3d 190, 191(9th Cir. 1923).

Here, the Correspondence meets the informal claim test. The writings to and from the Trustee show the nature and amount of the claim against the estate. The writings were exchanged well in advance of the Bar Date. The Trustee acknowledged the creditor's intent and need to participate in distribution of debtor's assets. See, **Exhibit A** and **Exhibit B**. The Correspondence should be deemed an informal claim. The later-filed, formal proof of claim should be deemed an amendment, which relates back to the informal claim.

WARNER LAW, L.L.C.

Dated: July 23, 2020

/e/ George E. Warner, Jr.
George E. Warner, Jr. (#0222719)
120 South Sixth Street, Suite 1515
Minneapolis, Minnesota 55402-1817
Telephone (952) 922-7700

Attorneys for Chardonnay Diamonds, LLC

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Scheherazade, Inc,

Debtor.

Chapter 7
Bankruptcy 19-40658

DECLARATION OF GEORGE E. WARNER, JR.

George E. Warner, Jr., respectfully declares to the Court as follows:

1. I represent the Creditor, CHARDONNAY DIAMONDS LLC. I respectfully submit this Affidavit in support of Chardonnay's Motion to Deem Correspondence an Informal Proof of Claim and for Other Relief.

2. Attached hereto as **Exhibit A** is a true and correct copy of my April 23, 2019 e-mail correspondence to counsel for the Trustee. To comply with F.R.C.P. 5.02(a), any restricted identifiers in the attached have been redacted.

3. Attached hereto as **Exhibit B** is a true and correct copy of the Counsel for the Trustee's April 23, 2019 e-mail correspondence to me.

4. I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 23, 2020

/e/ George E. Warner, Jr.

EXHIBIT A

George Warner

From: George Warner
Sent: Tuesday, April 23, 2019 10:49 AM
To: mary@mantylaw.com
Cc: Kristen Franklin
Subject: In Re Scheherazade, Inc. | Court File 19-40658
Attachments: 2019-04-23 US Trustee.pdf

Hi Mary:

I hope all is well. Please give me a quick call once you have a chance to review the attached. Thanks!

George E. Warner, Jr.
Warner Law, LLC
Attorney at Law | Creditors' Rights Specialist (American Board of Certification)
120 South Sixth Street | Suite 1515
Minneapolis, MN 55402-1817
952-922-7700 Voice (Ext. 164 after-hours)
george@warnerlawmn.com | www.warnerlawmn.com

Disclosure: This communication is with a debt collector. Any information obtained will be used for that purpose.



GEORGE E. WARNER, JR.
CREDITORS' RIGHTS SPECIALIST
CERTIFIED BY THE AMERICAN BOARD OF CERTIFICATION
GEORGE@WARNERLAWMN.COM

April 23, 2019

VIA E-MAIL TO MARY@MANTYLAW.COM

Mary F. Sieling
Manty & Associates, P.A.
401 Second Avenue North, Suite 400
Minneapolis, MN 55401

Re: In Re Scheherazade, Inc. | Court File 19-40658

Dear Mary:

I hope all is well. In follow-up to our last call, I have now been retained to represent Chardonnay Diamond, LLC ("Chardonnay.") My client advises me that:

- In September 2018, Chardonnay and Scheherazade agreed to a consignment arrangement for four (4) pieces of jewelry. The parties' relevant e-mails are attached.
- On September 20, Chardonnay issued Memo 18-920 for the four items delivered.
- In October 2018, Scheherazade returned item CR16025.
- In December 2018, Scheherazade chose to purchase item CR15012.
- Chardonnay's December 6 Invoice 18-004 is attached.
- Scheherazade's December 22 letter paid, in full, by post-dated checks for item CR15012.

Chardonnay believes the three (3) consigned pieces remain in Scheherazade's inventory. Chardonnay does not want its property liquidated. My client is seeking the return of the consigned pieces and either payment for, or return of, the purchased piece. My client is willing refund the partial payments received for the return of the piece purchased.

I look forward to discussing further with you at your earliest convenience. Thanks.

Very truly yours,

WARNER LAW, LLC
/s/ George E. Warner, Jr.
Attorney at Law

GEW/kf
cc: Client (via e-mail)

From: Scott Rudd scott@sjewelers.com @
Subject: RE: Chardonnay Diamond®
Date: September 20, 2018 at 4:25 PM
To: David Lampert david@chardonnaydiamond.com



Hi David,

I look forwards to seeing the 4 rings you have agreed to ship on memo for a Saturday delivery.

The shipping address is:

Scheherazade
3181 Galleria
Edina, MN 55435

Our store phone # is 952-926-2455

Scott

From: David Lampert [<mailto:david@chardonnaydiamond.com>]
Sent: Thursday, September 13, 2018 9:22 PM
To: Scott Rudd
Subject: Chardonnay Diamond®

Hi Scott,

Thanks for showing interest in my Chardonnay Diamond® collection.

Basically, Chardonnay Diamond® is a concept based on the idea that color is personal. The GIA set up a system that basically says a Vivid Yellow is more valuable than a Fancy Yellow, but doesn't take into account one's own taste in what they prefer. When someone walks into a jewelry store and ask for a yellow diamond, most salespeople will start explaining the color grading system as though people need to have a Fancy, or Light, or Intense yellow rather than actually showing them yellow diamonds to see what they like. I like light yellows and I've found that a ton of people do as well. They just are a little harder to sell if you have to explain why they aren't called "Fancy" yellows. Hence, the branding of Chardonnay Diamond®.

The focus of Chardonnay Diamond® is on light yellow diamonds (usually U-Z color, usually VS2 and better all with GIA's). Mounted these diamonds are gorgeous! I found that by having a name for them takes having to make an excuse for liking diamonds that aren't so called "Fancy". I started this business 5 years ago and today most of the yellows we sell today are Chardonnay Diamonds®. I've been running this business as a proof of concept and I believe it is time to roll it out amongst other jewelers.

Each Chardonnay Diamond® comes with its own "Certificate of Authenticity" and a GIA Diamond Grading Report. Every diamond also has a serial # on the girdle and the Chardonnay Diamond® logo. I don't sell them loose, they are only available in my own David Lampert designs. I'm also very protective of the trademark as I believe it is key to selling these diamonds. A diamond is only a Chardonnay Diamond® if I say it is one.

Attached are some images of the ones I currently have available (photography is all over the place... they all look better in person) as well as a copy of the certificate.

Let's talk once you've had a chance to look this over.

Best,

David











Chardonnay - Scheherazade Consignment			
Item#	Description	Wholesale	Memo Date
CR16016	1.11cts. Oval Cut Chardonnay Diamond® W-X // VS1 GIA1172344012 - Serial #CD16016 set in 18kt Yellow & Rose Gold Mtg with 20 Ideal cut diamonds = .17tw	\$4,900	9/18/18
CR16017	1.30cts. Cushion Cut Chardonnay Diamond® W-X // VS1 GIA1205884606 - Serial #CD16017 set 18kt Tri-Color Semi Mtg with 18 Ideal Cut Diamonds = .21tw.	\$5,495	9/18/18
CR16019	1.50cts. Marquise Cut Chardonnay Diamond® W-X // VS1 GIA2206962005 - Serial #CD16019 set in 18kt Tri-Color Mounting w/20 Ideals = .28tw.	\$6,800	1/15/19
	Current Inventory	\$17,195	

Invoiced

Item#	Description		
CR15012	3.80cts. Radiant Cut Chardonnay Diamond® Y-Z // VVS1 GIA1162550156 - Serial #CD15012 set in 18K WG - 80 ideal cut diamonds = .76ct. tw.	\$31,000	12/6/18
	Payments received	\$15,000	
	Balance due	\$16,000	

Chardonnay Diamond®



7 East Huron Street
Chicago, IL 60611

T 312-914-6888
E david@chardonnaydiamond.com

MEMO NUMBER: 18-920
DATE: 9-20-18

Issued to: Scott Rudd - Scheherazade
3181 Galleria
Edina, MN 554351

Delivered to: Same

Item #	Description	Price
CR16017	1.30cts. Cushion Cut Chardonnay Diamond® W-X // VS1 GIA1205884606 - Serial #CD16017 set 18kt Tri-Color Semi Mtg with 18 Ideal Cut Diamonds = .21tw.	\$5,495
CR16016	1.11cts. Oval Cut Chardonnay Diamond® W-X // VS1 GIA1172344012 - Serial #CD16016 set in 18kt Yellow & Rose Gold Mtg with 20 Ideal cut diamonds = .17tw	\$4,900
CR15012	3.80cts. Radiant Cut Chardonnay Diamond® Y-Z // VVS1 GIA1162550156 - Serial #CD15012 set in 18K WG - 80 ideal cut diamonds = .76ct. tw. Invoiced 12-6-18	\$31,000
CR16025	1.71cts. Radiant Cut Chardonnay Diamond® U-V // VS1 GIA 5172121129 - Serial #CD16023 set in 18kt Tri-Color Mounting w/28 Ideals = .68tw Returned 10-11-18	\$8,250
Total Invoice:		\$49,645

To the best of seller's knowledge, the diamond(s) herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. Accordingly, seller hereby guarantees that to the best of its knowledge these diamonds are conflict free. With respect to diamonds herein invoiced, which were acquired by seller after December 31, 2002, seller guarantees them to be conflict free based on personal knowledge and/or written guarantees provided by supplier of these diamonds.

Chardonnay Diamond® is a registered trademark of David Lampert and Chardonnay Diamonds LLC

Chardonnay Diamond®



7 East Huron Street
Chicago, IL 60611

T 312-914-6888
E david@chardonnaydiamond.com

INVOICE NUMBER: 18-004
DATE: 12-6-18

Issued to: Scott Rudd - Scheherazade
3181 Galleria
Edina, MN 55435

Delivered to: Same

Item #	Description	Price
CR15012	3.80cts. Radiant Cut Chardonnay Diamond® Y-Z // VVS1 GIA1162550156 - Serial #CD15012 set in 18K WG - 80 ideal cut diamonds = .76ct. tw.	\$31,000
	Terms: Posted Dated Checks	
	\$5,000 ea/ December '18 - April '19, \$6,000 May '19	
	Total Invoice:	31,000

To the best of seller's knowledge, the diamond(s) herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. Accordingly, seller hereby guarantees that to the best of its knowledge these diamonds are conflict free. With respect to diamonds herein invoiced, which were acquired by seller after December 31, 2002, seller guarantees them to be conflict free based on personal knowledge and/or written guarantees provided by supplier of these diamonds.

Chardonnay Diamond® is a registered trademark of David Lampert and Chardonnay Diamonds LLC



December 22, 2018

**Chardonnay Diamond
7 East Huron Street
Chicago, IL 60611**

To Whom It May Concern,

Please find enclosed 6 postdated checks that total in the amount of \$31,000. These checks are all to go against invoice number 18-004. The checks are as follows:

**Check 6010 postdated to 12/31/2018 in the amount of \$5,000.00
Check 6011 postdated to 1/31/2019 in the amount of \$5,000.00
Check 6012 postdated to 2/28/2019 in the amount of \$5,000.00
Check 6013 postdated to 3/31/2019 in the amount of \$5,000.00
Check 6014 postdated to 4/30/2019 in the amount of \$5,000.00
Check 6015 postdated to 5/31/2019 in the amount of \$6,000.00**

It is my understanding that you will personally see to it that these postdated checks are not accidentally cashed prior to the agreed upon date.

Thank you so much; I really appreciate your assistance.

Sincerely,

**Scott H. Rudd
President
Scheherazade Inc.
952-240-0872 (cell)**

Enclosures (6)

CASH ONLY IF ALL CHECKLOCK™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPIING

Scheherazade Inc.
Domestic PDC
3181 Galleria
Edina, MN 55435

BREMER BANK, NA
Edina, MN 55435
75-1041/860


6010

Postdated
12/31/2018

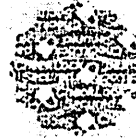
PAY TO THE ORDER OF Chardonnay Diamond \$ ****5,000.00**

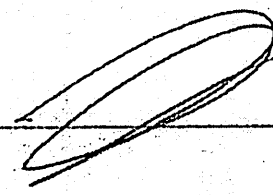
Five Thousand and 00/100 ***** DOLLARS


IF PROTECTED AGAINST FRAUD

 Chardonnay Diamond
7 East Huron Street
Chicago, IL 60611

MEMO







Scheherazade Inc.

Chardonnay Diamond

Date	Type	Reference
12/6/2018	Bill	18-004

Original Amt.
31,000.00

Balance Due
5,000.00

12/31/2018
Discount
Check Amount

Payment
5,000.00
5,000.00

6010

1035 2nd Domestic P

5,000.00

CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING.

Scheherazade Inc.
Domestic PDC
3181 Galleria
Edina, MN 55435

BREMER BANK, NA
Edina, MN 55435
75-1041/680

6011

Postdated
1/31/2019

PAY TO THE ORDER OF Chardonnay Diamond \$ **5,000.00

Five Thousand and 00/100***** DOLLARS

Chardonnay Diamond
7 East Huron Street
Chicago, IL 60611

MEMO

1035 2nd Domestic P

Scheherazade Inc.

6011

Date	Type	Reference	Original Amt.	Balance Due	1/31/2019 Discount	Payment
12/6/2018	Bill	18-004	31,000.00	5,000.00		5,000.00
					Check Amount	5,000.00

1035 2nd Domestic P

5,000.00

CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

Scheherazade Inc.
Domestic PDC
3181 Galleria
Edina, MN 55435

BREMER BANK, NA
Edina, MN 55435
75-1041/980

6012
Postdated
2/28/2019

PAY TO THE ORDER OF Chardonnay Diamond \$ **5,000.00

Five Thousand and 00/100 ***** DOLLARS

PROTECTED AGAINST FRAUD

Chardonnay Diamond
7 East Huron Street
Chicago, IL 60611

MEMO

MP

Details on Back

CheckLock™ Secure Check

Scheherazade Inc.

6012

Date	Type	Reference	Original Amt.	Balance Due	2/28/2019 Discount	Payment
12/6/2018	Bill	18-004	31,000.00	5,000.00		5,000.00
					Check Amount	5,000.00

1035 2nd Domestic P

5,000.00

CASH ONLY IF ALL CHECKLOCK™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

Scheherazade Inc.
Domestic PDC
3181 Galleria
Edina, MN 55435

BREMER BANK, NA
Edina, MN 55435
75-1041/980

6013
Postdated
3/31/2019

PAY TO THE ORDER OF Chardonay Diamond \$ **5,000.00

Five Thousand and 00/100 DOLLARS

Chardonay Diamond
7 East Huron Street
Chicago, IL 60611

MEMO

AP

Details on Back

Inquire CheckLock™ Secure Check

Scheherazade Inc.

6013

Date	Type	Reference	Original Amt.	Balance Due	3/31/2019 Discount	Payment
12/6/2018	Bill	18-004	31,000.00	5,000.00		5,000.00
					Check Amount	5,000.00

1035 2nd Domestic P

5,000.00

CASH ONLY • ALL CHECKLOCK™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

Scheherazade Inc.
Domestic PDC
3181 Galleria
Edina, MN 55435

BREMER BANK, NA
Edina, MN 55435
75-1041/960

6014

Postdated
4/30/2019

PAY TO THE ORDER OF Chardonnay Diamond \$ **5,000.00

Five Thousand and 00/100 ***** DOLLARS

PROTECTOR AGAINST FRAUD

Chardonnay Diamond
7 East Huron Street
Chicago, IL 60611

MEMO

MP

Details on Back

CheckLock™ Get into Check

Scheherazade Inc.

6014

Date	Type	Reference	Original Amt.	Balance Due	4/30/2019 Discount	Payment
12/6/2018	Bill	18-004	31,000.00	5,000.00		5,000.00
					Check Amount	5,000.00

1035 2nd Domestic P

5,000.00

CASH ONLY IF ALL CHECKING SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPIING

Scheherazade Inc.
Domestic PDC
3181 Galleria
Edina, MN 55435

BREMER BANK, NA
Edina, MN 55435
75-1041/980

6015
Postdated
5/31/2019

PAY TO THE ORDER OF Chardonnay Diamond \$ **6,000.00

Six Thousand and 00/100***** DOLLARS

PROTECTED AGAINST FRAUD

Chardonnay Diamond
7 East Huron Street
Chicago, IL 60611

MEMO

[Redacted]

MP

Intelli Check Lock™ Secure Check

Scheherazade Inc.

6015

Date	Type	Reference	Original Amt.	Balance Due	5/31/2019 Discount	Payment
12/6/2018	Bill	18-004	31,000.00	6,000.00		6,000.00
					Check Amount	6,000.00

1035 2nd Domestic P

6,000.00

Chardonnay Diamond®



7 East Huron Street
Chicago, IL 60611

T 312-914-6888
E david@chardonnaydiamond.com

MEMO NUMBER: 19-115
DATE: 1-15-19

Issued to: Scott Rudd - Scheherazade
3181 Galleria
Edina, MN 554351

Delivered to: Same

Item #	Description	Price
CR16019	1.50cts. Marquise Cut Chardonnay Diamond® W-X // VS1 GIA2206962005 - Serial # CD16019 set in 18kt Tri-Color Mounting w /20 Ideals = .28tw.	\$6,800
	Total Invoice:	\$6,800

To the best of seller's knowledge, the diamond(s) herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. Accordingly, seller hereby guarantees that to the best of its knowledge these diamonds are conflict free. With respect to diamonds herein invoiced, which were acquired by seller after December 31, 2002, seller guarantees them to be conflict free based on personal knowledge and/or written guarantees provided by supplier of these diamonds.

Chardonnay Diamond® is a registered trademark of David Lampert and Chardonnay Diamonds LLC

EXHIBIT B

George Warner

From: Mary Sieling <mary@mantylaw.com>
Sent: Tuesday, April 23, 2019 3:25 PM
To: George Warner
Cc: Kristen Franklin
Subject: RE: In Re Scheherazade, Inc. | Court File 19-40658

Hi George,

Given that no UCC Financing Statement was filed, Chardonnay Diamonds is unperfected. Accordingly, the three remaining items (CR16017; CR 16016; and CR15012) are property of the bankruptcy estate. Your client will have an unsecured claim in the case. Please confirm that you agree and I will prepare a stipulation for your client to sign.

Thank you,

Mary F. Sieling
Manty & Associates, P.A.
401 Second Avenue North, Ste. 400
Minneapolis, MN 55401
(612) 465-0901

From: George Warner <george@warnerlawmn.com>
Sent: Tuesday, April 23, 2019 10:49 AM
To: Mary Sieling <mary@mantylaw.com>
Cc: Kristen Franklin <kristen@warnerlawmn.com>
Subject: In Re Scheherazade, Inc. | Court File 19-40658

Hi Mary:

I hope all is well. Please give me a quick call once you have a chance to review the attached. Thanks!

George E. Warner, Jr.
Warner Law, LLC
Attorney at Law | Creditors' Rights Specialist (American Board of Certification)
120 South Sixth Street | Suite 1515
Minneapolis, MN 55402-1817
952-922-7700 Voice (Ext. 164 after-hours)
george@warnerlawmn.com | www.warnerlawmn.com

Disclosure: This communication is with a debt collector. Any information obtained will be used for that purpose.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Scheherazade, Inc,

Debtor.

Chapter 7
Bankruptcy 19-40658

ORDER

This matter came on before this court on the motion of Chardonnay Diamonds LLC to deem certain correspondence as an informal proof of claim. Based upon all of the files, records and proceedings herein,

IT IS ORDERED:

1. The email dated April 23, 2019 from Chardonnay's attorney to counsel for the trustee is deemed an informal proof of claim. The proof of claim filed on April 16, 2020, as Claim No. 173, relates back to the informal proof of claim and is deemed to have been filed timely.

Dated: _____

Kathleen H. Sanberg
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Scheherazade, Inc,

Debtor.

Chapter 7
Bankruptcy 19-40658

UNSWORN CERTIFICATE OF SERVICE

I, George E. Warner, Jr., declare that, on July 23, 2020, I caused the following document(s):

- NOTICE OF MOTION AND MOTION TO DEEM
CORRESPONDENCE AN INFORMAL PROOF OF CLAIM AND FOR
OTHER RELIEF
- MEMORANDUM OF LAW IN SUPPORT OF NOTICE OF MOTION AND
MOTION TO DEEM CORRESPONDENCE AN INFORMAL PROOF OF
CLAIM AND FOR OTHER RELIEF
- DECLARATION OF GEORGE E. WARNER, JR.
- PROPOSED ORDER

to be filed electronically with the Clerk of Bankruptcy Court through ECF, and that ECF will
send an e-notice of the electronic filing to all ECF participants.

WARNER LAW, L.L.C.

Dated: July 23, 2020

/s/ George E. Warner, Jr.
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